



## **EGI Financial Holdings Inc. Announces Acquisition of American Colonial Insurance Company, Inc.**

**Toronto – March 1, 2010** – EGI Financial Holdings Inc., (TSX:EFH) (“EGI Financial” or “the Company”) is pleased to announce that the Company’s US-based subsidiary, Echelon Insurance Company of America (EICA) has acquired all of the issued and outstanding shares of American Colonial Insurance Company, Inc. (American Colonial).

American Colonial is a Florida-domiciled property and casualty insurance company. In addition to Florida, American Colonial has licenses in good standing to transact private passenger automobile insurance in Georgia, Alabama and Louisiana. American Colonial was first established in 1957 but has not underwritten any insurance business since 2002 and has no employees, nor any ongoing obligations for business infrastructure.

The purchase price is equal to American Colonial’s statutory book value, net of its obligations for its remaining outstanding claims, with securities marked to market, plus US \$200,000 or approximately US\$ 4.6 million in total. Florida regulators have also approved the subsequent merging of American Colonial with EICA, with American Colonial continuing as the surviving corporation. As a result, all of the recently established operating infrastructure of EICA will be assumed by American Colonial.

James Cizek, CEO of EICA commented, “The acquisition of American Colonial, along with the recent approval of our Florida auto insurance rate filing are major steps in the advancement of the Company’s strategies to underwrite non-standard automobile insurance in the southeastern United States. We now have the critical platform and infrastructure to pursue organic growth, while continuing to seek acquisitions which meet the Company’s value criteria.”

### About EGI Financial Holdings Inc.

Founded in 1997, EGI Financial operates in the property and casualty insurance industry in Canada and the U.S., primarily focusing on non-standard automobile insurance and other niche and specialty general insurance products.

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